Speakers

- **Chris Gulotta |** Real Estate Data Shield
- **Chris Hacker |** ShortTrack
- **Todd Hougaard |** BeesPath
- **Rob McDonald |** Virtru
- **Steve Russo |** CertainSafe

Agenda

- Importance of Protecting NPI
- Cyber Threats
- Compliance
- What's Considered NPI
- Where Can NPI Be Found
- How to Protect NPI
- Selecting a Solution
- Market Trends
- Retention/Disposal of NPI

Importance of Protecting NPI

- **Maintain Trust of Clients/Customers**
  - Decreased return rate of clients/customers
  - Lost opportunities with new prospects

- **Potential Lawsuits, Fees**

- **Negative Press**

AMERICAN
LAND TITLE
ASSOCIATION

Cyber Threats

- ## Online Onslaught
  - **Experian (September 2015):** Breach exposed sensitive personal data of some 15 million people in the U.S.
  - **Anthem (February 2015):** Records of 80 million individuals exposed, including names, DOB, SSN, addresses, phone numbers, email
  - **JP Morgan Chase (October 2014):** Breach affected 76 million households and seven million small businesses
  - **Home Depot (September 2014):** Attack exposed 56 million credit card numbers

- ## Title Industry Targeted
  - Email fraud schemes involving wire instructions
  - Fake Dropbox emails

AMERICAN
LAND TITLE
ASSOCIATION

Frequency of Attacks and Monetary Losses Will Only Increase

Compliance

- **Federal**
  - **Gramm-Leach Bliley Act**
    - Federal Trade Commission
      - Privacy Rule (1999)
      - Safeguards Rule (2003)
      - Disposal Rule (2005)

- **State**
  - **47 states and D.C. have data breach notification laws**

- **Regulators**
  - **Remind lenders they are responsible for third-party providers**

- **ALTA Best Practices**
  - **Pillar No. 3**

AMERICAN
LAND TITLE
ASSOCIATION

What's Considered NPI

- ## FTC Definition
  - ### Any information obtained about an individual from a transaction
  - ### Examples
    - Account numbers, loan payoff, credit card statements, Closing Disclosure, Settlement Statements
    - Insurance, drivers license, tax information
    - Social Security Numbers, dates of birth
    - Title related items, sales price, commission amounts, loan fees

AMERICAN
LAND TITLE
ASSOCIATION

Common "Settlement" Documents Containing NPI	Common "Title" Documents Containing NPI
Uniform Residential Loan Application (Form 1003) (NPI includes: SSN, bank account numbers, loan numbers, work addresses, etc.)	**Identification (Driver's License, passport, etc.)** (NPPI includes: address, Birthdate, ID number, Passport number)
Borrower Tax Returns (NPI includes: SSN, financial information, address)	**Title Order form** (NPI includes: SSN, address, loan number)
Lender Engagement Letter (NPI includes: SSN, address, loan numbers)	**Payoff Letter** (NPI includes: Bank account numbers, loan number, address)
Identification (Driver's License, passport, etc.) (NPI includes: address, birth date, ID number, Passport number)	**Escrow Agreements with Tax Searches** (NPI includes: SSN, address)
Settlement Statement (Closing Disclosure/HUD-1) (NPI includes: loan number, address)	**Real Estate Transfer Tax Forms** (NPI includes: SSN, financial information,
IRS Form 4506-T, Request for Transcript of Tax Returns (NPI includes: SSN, address)	**Affidavits** (NPI includes: SSN, address)
IRS Form W-9, Request for Taxpayer Identification Number and Certification (NPI includes: SSN, address)	**Recordable Docs** (NPI includes: loan numbers, address)
Payoff Letter (NPI includes: Bank account numbers, loan number, address)	**Title Bill** (NPI includes: address)

Where Can NPI Be Found

- **Physical Locations**
- **Electronic Media**

Where Can NPI Be Found

- **Electronic Media**
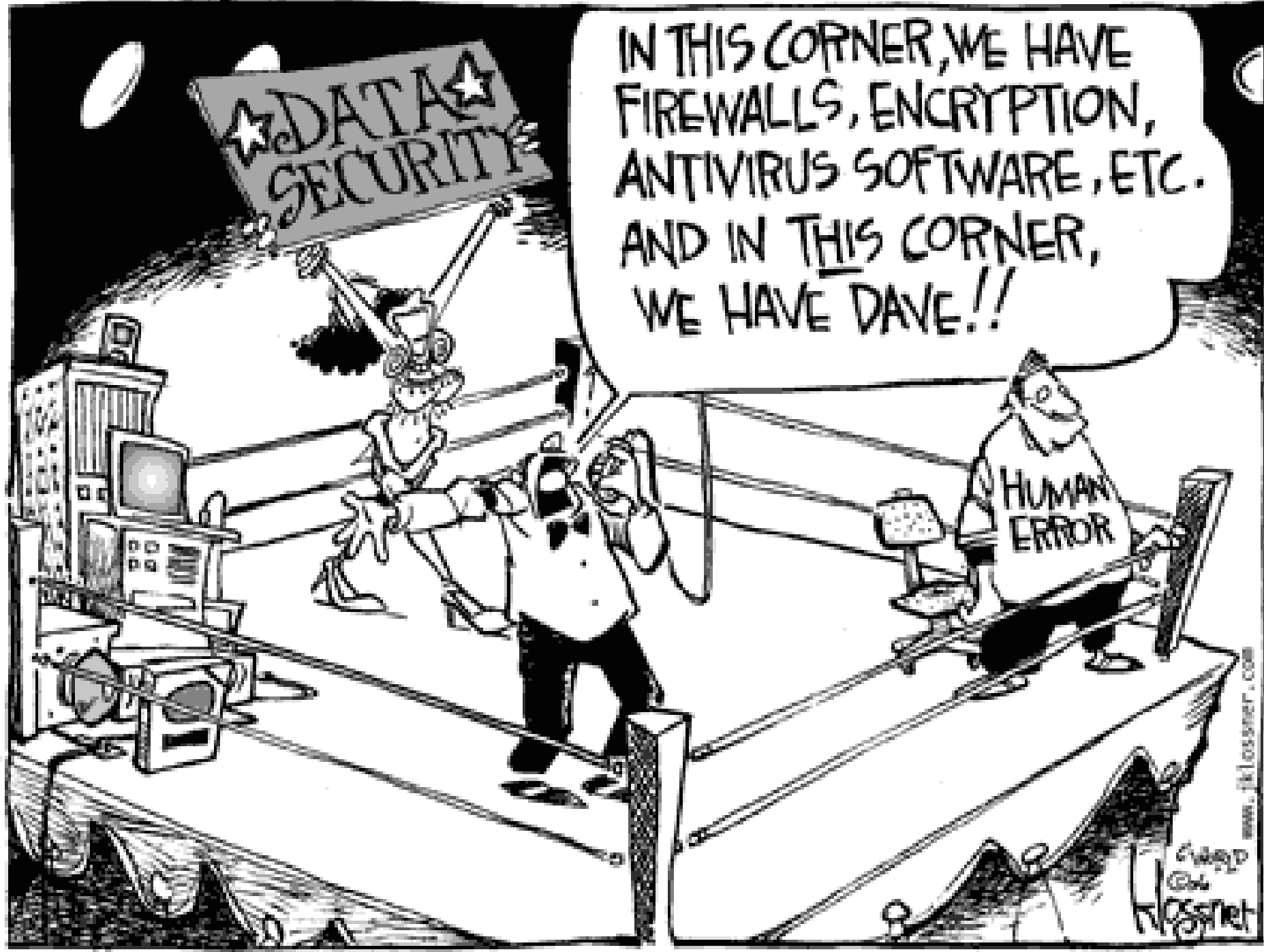
  - Computers
  - Network Servers
  - E-mail services
  - Instant Messaging services
  - Fax services
  - Copy machines with internal hard drives
  - Network storage devices

  - Web servers
  - Cloud storage
  - Backup tapes or online backup services
  - User-provided devices/media, for example employee smart phones, tablets,
  - USB storage devices

AMERICAN
LAND TITLE
ASSOCIATION

How to Protect NPI

- ## Implement ALTA's Best Practices

- ## Establish Basic Security Policies

    - Require strong passwords (minimum of 8 characters which contain uppercase, lower case, numbers and symbols)

    - Require each individual to have his or her own password

    - Require passwords to be changed at set intervals

    - Require employees to lock their computers when they leave their desks

    - Computers should be set to automatically lock out access after a reasonably short period of time (example, 15 minutes)

    - Establish guidelines for internet usage

    - Establish guidelines for installing software

    - Articulate penalties for violating the firm's cyber policy

How to Protect NPI

- **Precautions for Secure Handling of Electronic NPI**
  - Firewalls: Set of related programs or hardware that prevents outsiders from accessing data on a private network
    - Make sure the operating system's firewall is enabled or install other firewall software
    - If employees work from home, ensure that their home systems are protected by a firewall
      - Ensure the connection from the home system to the office is secure (i.e., use a VPN)
  - Mobile Devices
    - Password protect their devices
    - Encrypt their data
    - Install security apps to prevent criminals from stealing information while the phone is on public networks
    - Establish reporting procedures for lost or stolen equipment

AMERICAN
LAND TITLE
ASSOCIATION

How to Protect NPI

- ## Precautions for Secure Handling of Electronic NPI

  - ### Wi-Fi Network

    - #### Hide your Wi-Fi network
      - Set up your wireless access point or router so it does not broadcast the network name [known as the Secure Set Identifier (SSID)]
      - Password-protect access to the router (change the "Default" admin password)

    - #### Set up a guest network if you wish others to have access to Wi-Fi in your facility

AMERICAN
LAND TITLE
ASSOCIATION

Selecting a Solution

- **Protecting your most sensitive data**
  - Picking providers for your security needs

- **What data/documents require protection?**
  - Sensitive documents of all forms

- **Protecting communications – email and file sharing**
  - What are the best types of products to consider?
  - How do these types of systems work?
  - Where to go to find a solution?

- **Implementation – depends on scope**

- **Cost for services – examples**

AMERICAN
LAND TITLE
ASSOCIATION

Selecting a Solution

- Choose your cyber provider wisely
- Provides solutions that fit your needs – data and communications
- Understand the needs and the methods in which they help protect communications
- Protect access from your firm's mobile devices in addition to stationary desktops

AMERICAN
LAND TITLE
ASSOCIATION

Selecting a Solution

- **Email and File Sharing**
  - What are the types of products to consider?
  - How do the systems work?
    - Data in Motion
    - Data at Rest
    - Permissioning
    - Audit trails
    - File ownership control
    - File notations
  - Where to go to find a solution?
    - Underwriter
    - Software provider
    - IT vendor
    - PC Magazine

AMERICAN
LAND TITLE
ASSOCIATION

Selecting a Solution

- **Your Customers**
  - Lenders want ease in getting information
    - Prefer email that just "shows up" in their inbox
    - Be considerate of how mobile users will open messages
    - What to do if lender won't accept encrypted email and requires NPI to be emailed in an unsecure manner

- **Your Employees**
  - Leverage auto-encrypt technology so they can work as usual
  - Remove the "whether to encrypt" decision process from your staff

AMERICAN
LAND TITLE
ASSOCIATION

Retention/Disposal of NPI

- Document Storage
  1. Choose your service provider carefully
  2. Conduct an on-site inspection of their facilities and security practices and review their privacy/security measures
  3. Does your provider conduct background checks on personnel, use security camera's, disburse your files throughout their facility(s), etc?
  4. Does your provider undergo their own compliance validation?
  5. Can they document the chain of custody?
  6. Do they index & retrieve at the box, file and document level?
  7. Do they have 24/7 security and adequately protect from fire or flood threats?
  8. Can they image, index and destroy docs?

AMERICAN
LAND TITLE
ASSOCIATION

Retention/Disposal of NPI

- ## Document Destruction
  1. Should include all media (print & digital)
  2. Consider a shred-all policy
  3. Ensure network printer hard-disks, all other hard-disks and back-up drives are properly destroyed
  4. Locked on-site bins for documents
  5. Regular pick-up and destruction of bin contents
  6. Choose a destruction company carefully
  7. Does your provider:
     a. assess your destruction practices and needs & provide guidance
     b. undergo their own compliance reporting
     c. have a barcode tracking for locked on-site document bins.

AMERICAN
LAND TITLE
ASSOCIATION

Contact Information

Chris Gulotta | Real Estate Data Shield **|** cgulotta@redatashield.com

Chris Hacker | ShortTrack **|** chris@myshorttrack.com

Todd Hougaard | BeesPath **|** toddh@beespath.net

Rob McDonald | Virtru **|** rob.mcdonald@virtru.com

Steve Russo | CertainSafe **|** srusso@certainsafe.com

Jeremy Yohe | ALTA **|** jyohe@alta.org

Webinar archives: alta.org/titletopics

AMERICAN
LAND TITLE
ASSOCIATION